



April 11, 2012

VIA ECFS

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: *Structure and Practices of the Video Relay Service Program*,  
CG Docket No. 10-51; *Telecommunications Relay Services and Speech-to-Speech  
Services for Individuals with Hearing and Speech Disabilities*, CG Docket No.  
03-123

Dear Ms. Dortch:

On April 9, 2012, I, on behalf of Sorenson Communications Inc., met with Sean Lev of the Office of General Counsel. During my conversation with Mr. Lev, I raised the following points, all of which are contained in greater detail in Sorenson's reply comments.

VRS is a complicated system, particularly because the Commission's rules mandate that VRS providers provide a communications platform, specifically including point-to-point communications, which covers much more than VRS, but then only compensates for the provision of VRS. With respect to setting rate levels, the Commission should start with existing compensation levels, as Sorenson has proposed, and transition to a single tier at \$5.14 per minute – or the equivalent under a per user system. Attempting to drive the rate lower will threaten service because costs such as debt service are not optional and do not go away except through retirement or bankruptcy. As such, revenue reductions can only lead to operating cost reductions or reduced innovation, both of which will directly affect quality of service. It is also significant that Sorenson is the low cost VRS provider, and that the FCC is not paying Sorenson more, on average, than any other provider. In fact, the reverse is true: Sorenson receives less average compensation per minute than any other VRS provider.

With respect to equipment standards, I noted the distinction between interoperability, consumer data portability and equipment portability. Sorenson disputes that equipment portability is necessary to prevent consumer "lock-in," especially in an era when a number of VRS providers offer software-based videophones that run on desktops, laptops, tablets and smartphones. The issue of portability standards is not merely a technical issue, but fundamentally needs to be examined using economic analysis. The Commission needs to be

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cognizant of the fact that mandating equipment portability will reduce investment in innovation in the equipment that supports VRS and point-to-point services, as would an off-the-shelf mandate.

A copy of this letter is being filed in the above-referenced dockets.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata". The signature is fluid and cursive, with a long horizontal stroke at the end.

John T. Nakahata  
*Counsel to Sorenson Communications, Inc.*

cc: Sean Lev